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WTO SME Informal Working Group

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Small and Medium Enterprises (SME)

- SME plays a **major role** in developing and more and more in developed economies
- SME account for the majority of businesses worldwide and are important contributors **to job creation, growth, global economic development and exports**
- They represent about 90% of businesses and more than 50% of employment worldwide. Formal SMEs contributed up to **40% of national income (GDP) in emerging economies**. These numbers are significantly higher when informal SMEs are included
- While contributing significantly to the economy, SME **foster diversification** through the role they play in the development of new and unsaturated sectors of the economy.
- In addition, **innovative and technology-based** small and medium enterprises can provide a platform for local, regional and international growth, especially in Brazil, Russia, India, China, and South Africa (BRICS) economies as well as economies like Vietnam, Bangladesh,

Small and Medium Enterprises (SME)

- According to the World Bank estimates, [600 million jobs](#) will be needed by 2030 to absorb the growing global workforce.
- This makes SME development a **high priority** for many governments around the world.
- In emerging markets, most formal jobs are generated by SMEs, which create **7 out of 10** jobs.
- However, **access to finance** is a key constraint to SME growth, it is the second most cited obstacle facing SMEs to grow their businesses in emerging markets and developing countries.

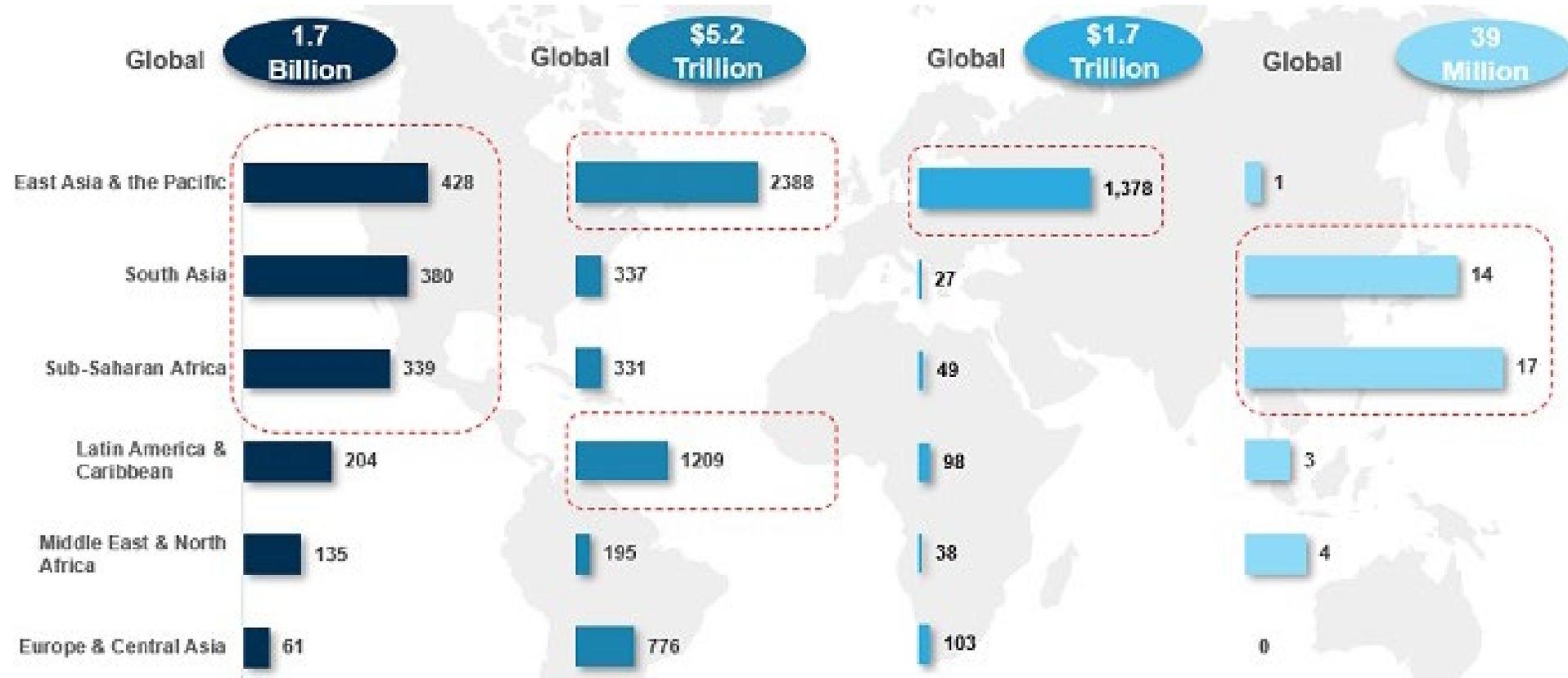
Small and Medium Enterprises (SME) – One Challenge



Sonia Arias opened a small clothing business in Medellín, Colombia. To get started, she had to take out an informal loan at very high rates since she lacked real property to use as collateral for a bank loan.

“When I was paying off the loan,” she said, “it was as if I was being strangled to death.”

Unbanked Adults vs. Formal MSME Finance Gap vs. Formal Women MSME Finance Gap and Annual Formal Net Jobs Required from 2017 – 2030



Small and Medium Enterprises (SME) – Other challenges

- Appropriate **technology** and low production capacity
- A lack of **management skills** and in adequate skilled labour
- **Finance** and obtaining credit
- **Access to markets** and developing relationships with customers
- **Recognition** by large companies and government bureaucracy
- **Knowledge and support** for the role that they play in economic development
- Regulatory and other compliance regarding **export** requirements

One of the potential Solutions: Digitalization of SME

What is digitalization and what does it mean to an SME?

Gartner, the global research and advisory firm, defines digitalization as “the use of **digital technologies** to change a business model and provide new revenue and value-producing opportunities; the process of moving to a digital business”. Digital technologies include **social technology** platforms, Mobile, **Cloud**, Internet of Things, Artificial Intelligence, Analytics, Virtual Reality, and **Blockchain**, amongst others

Cloud Services for SME

- **Cloud platforms** and their pay-per-use service models obviate the need for relatively large capital outlays to buy computing infrastructure. SMEs could use cloud platforms to deploy their Information Technology (IT) infrastructure and applications and only pay for what they use
- **Microsoft's Dynamics 365 Business Central** a comprehensive business management solution designed for small to medium-sized businesses.
- **Zoho One** includes integrated applications to manage, connect, and automate business processes across your entire organization
- **Google G Suite** for business email, video conferencing, cloud storage, file sharing and collaborate.
- **Cloud service will assist SME to more competitive by:**
 - **Increase financial visibility** - Make informed decisions with connected data across accounting, sales, purchasing, and customer transactions
 - **Optimize supply chain** - Calculate and optimize manufacturing capacity and resources to improve production schedules and meet customer demands and increase exports
 - **Boost sales and improve service** -Accelerate the sales process from quote to cash. Act quickly on sales-related enquiries, manage service requests, and process payments
 - **Deliver projects on time and under budget, lower costs** - by planning capacity and sales. Track invoicing for customers against planned costs on orders and quotes

Mobile Applications for SME

- **Vodafone created their Ready Business Indicator** to engage with SMEs in a new way. The self-evaluation tool, built by Accenture Interactive, moved conversations to a more strategic level and started engagement further down the sales funnel. More than a sales tool, the Indicator is about ensuring that the small and medium-sized enterprises do more to grasp opportunities created by our digital economy. This service is now rolled out in Europe and South Africa and other Vodafone partner countries will follow shortly
- **AsiaPay** enables merchants to securely accept most popular digital payment methods from credit cards, internet banking and more on a single platform.
- **WhatsApp Business** is a free to download app was built with the small business owner in mind. WhatsApp Business makes interacting with customers easy by providing tools to automate, sort and quickly respond to messages.
- **The Mobile service will assist SME** to close the gap with enterprises businesses, enhance growth and lower costs and increase growth

Online Trade & Training Tools for SME

- **The Global Trade Helpdesk** simplifies market research for companies by integrating trade and business information into one user-friendly, online tool. It provides accessible and comprehensive information from the trade formalities relevant at the exporter's doorstep to the market access information and business contacts in the destination market. www.globaltradehelpdesk.org/en
- **ITC** Identify customs tariffs, tariff rate quotas, trade remedies, regulatory requirements and preferential regimes applicable to your product. www.beta.macmap.org
- Online Training enablement through industry bodies :-
 - WCO Training Academy
 - ICC Training Academy
- Software solutions that enable and simplify international trade participation, lower overall costs and increase the level of compliance for example Global Trade Solution – GTS www.globaltradesolution.co.za

IoT and SME

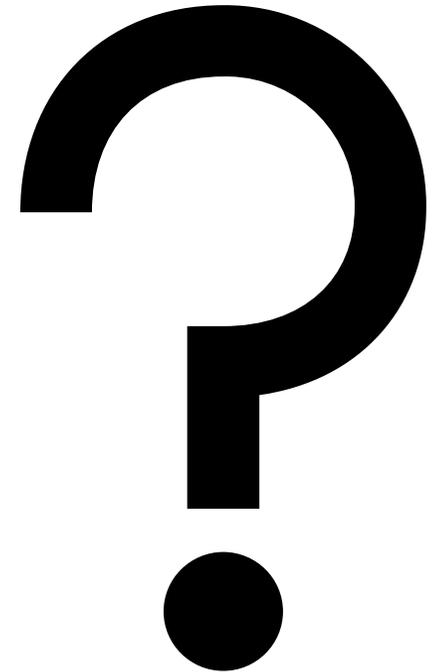
- **The Internet of Things** – or **IoT** – is the term given to the interconnectedness of devices via the internet. Along with AI and machine learning, IoT is a big trend to look out for in 2019 and beyond.
- The IoT represents a huge opportunity for businesses of all sizes. It isn't just big enterprises that can make use of this network of sensors and devices—small businesses can, and should
- **Smart Locks** - The ability to create—and, more importantly, revoke—keys at any time for employees and anyone else you'd like
- **Connected Cameras.** While these services sometimes require a subscription, the cost is relatively low for the convenience and lack of maintenance compared to traditional closed-circuit television (CCTV) systems
- **Smart Lighting and Thermostats** - These appliances often come with big cost savings
- **RFID Tags for Merchandise & Containers** - These tags are great for inventory tracking. They can automatically update your inventory as items are sold and assist with tracking of containers
- **Shipping Trackers** - Connected sensors are great for tracking the location of inventory in transit
- **Sensors to Measure Room Occupancy and Usage** - Small businesses are using the IoT to help save on utility bills and schedule meetings more efficiently. This is accomplished by using connected sensors to measure the occupancy of rooms and track where people are in the building at any given time

Wireless Network Technology assisting SME

- Sigfox is rolling out the **first global network** to listen to billions of IoT broadcasting data, **without** the need to establish and maintain network connections.
<https://www.sigfox.com/en>
- Sigfox is partnering with Network companies across the globe with a particular focus on MSME
- SigFox and other IoT networks offer SME opportunity to enter the Wireless Network market. (None GSM)
- Example SqwidNet launched in November 2016 as the licensed Sigfox operator in South Africa. The SqwidNet network offers low-cost access to IoT solutions and operators in South Africa, creating opportunities for businesses small and large to create innovative solutions.

**Digitization is the
Difference in making an
Informed Decision and
Guessing**

**Data and Information is
the Power of the Future**



Small and Medium Enterprises (SME) – Challenges around Export Enablement

- **Information and Requirements**

- What is the correct HS Code
- Duties and Taxes for the potential markets
- Trade Agreements
- Non Trade Barriers (Prohibited and Restricted (P&R) Goods)

- **Costing / Quote**

- **What costs are involved?** – Many “hidden” costs over and above Freight and Taxes
- Understanding Incoterms and who is responsible for which costs
- Landed Costing (Quotations)

- **Transactional Process**

- Correct Commercial Documents (Proforma / Commercial Invoice)
- Freight Documentation
- Myriad of Additional Documents depending on type of goods / markets
- Visibility (Where are my Goods)
- Actual Landed Costing

Small and Medium Enterprises (SME) – Solutions are available to improve export access

- **Information and Requirements**

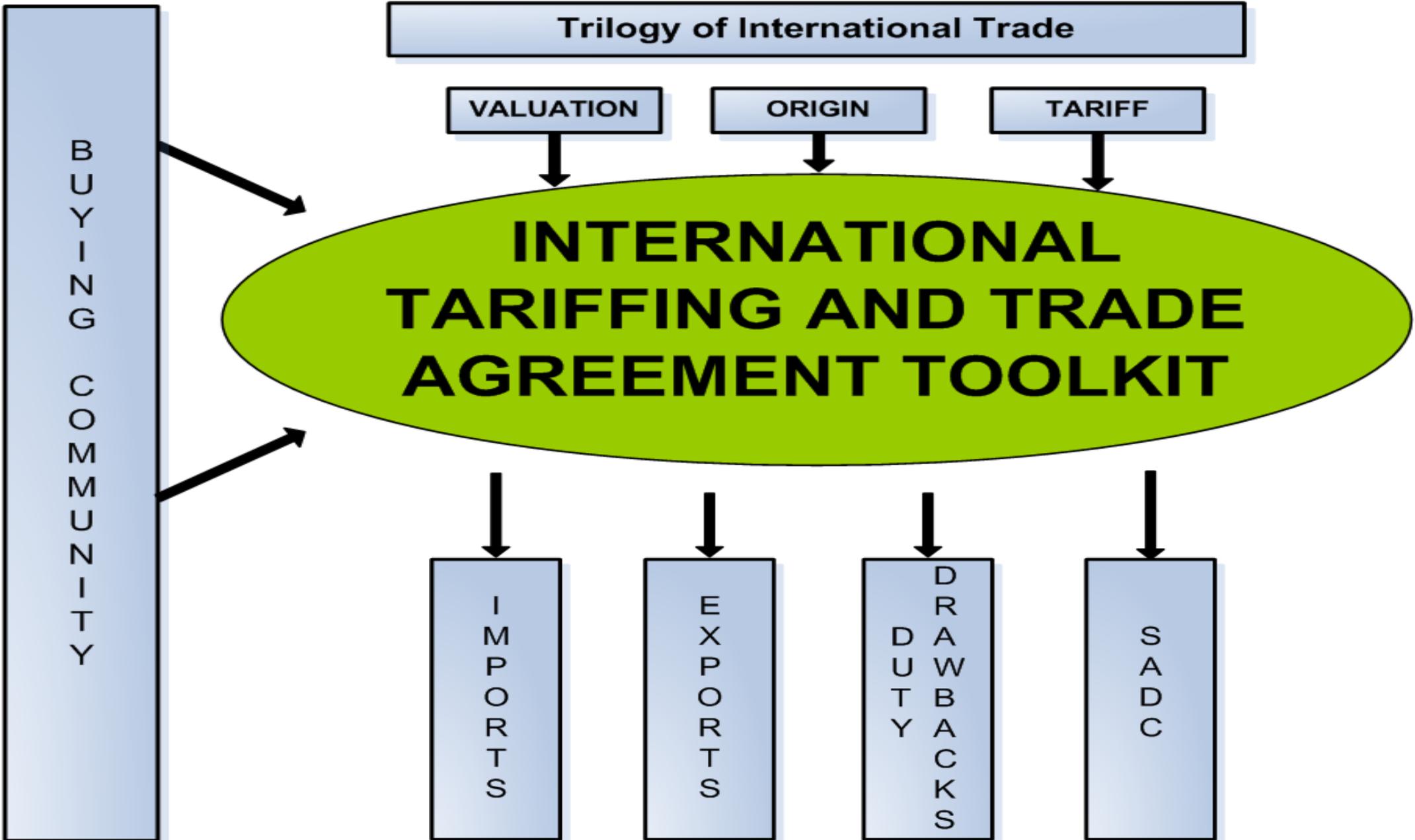
- Easy to search / access HS Database
- Comparative Views of duties and P&R over multiple countries
- Drill down and view full details of P&R requirements

- **Costing / Quote**

- Landed Costing / Quotations outlining all potential costs involved.
- Incoterms determine which costs are the responsibility of which party
- Shipping Lead times

- **Transactional Process**

- Online visibility of all documents required for the shipment
- Generate all required documents based on Internationally Accepts formats
- Track Shipment End to End
- Visibility of Actual Landed Cost



Information & Research

View Multiple Country HS, Duties and P&R

* Simulation Country

ZA - SOUTH AFRICA

* Simulation Date

2019/11/21

National Measure Code

Description

meat

Apply Exclusions



	Code	P&R	Description	Duty	Duty Type	UoM	Notes
	1	✓	SECTION I LIVE ANIMALS; ANIMAL PRODUCTS				
	02	✓	Meat and edible meat offal				
	0201	⚠	Meat of Bovine Animals, Fresh or Chilled				
	0201.10	⚠	Carcasses and half-carcasses				
	0201.10.00/2	⚠	CARCASSES AND HALF-CARCASSES	40%	1P1	KG	
	0201.20	⚠	OTHER CUTS WITH BONE IN		1P1		
	0201.20.10/4	⚠	Wagyu beef	40%	1P1	KG	
	0201.20.90/2	⚠	Other	40%	1P1	KG	
	0201.30	⚠	Boneless:		1P1		
	0201.30.10/9	⚠	Wagyu beef	40%	1P1	KG	

Information & Research - Comparative View of Duties and P&R

Commodity Code (1P1)

Description	Other	HS Code	021020	SECTION I LIVE ANIMALS; ANIMAL PRODUCTS Meat and edible meat offal MEAT AND EDIBLE MEAT OFFAL, SALTED, IN BRINE, DRIED OR SMOKED; EDIBLE FLOURS AND MEALS OF MEAT OR MEAT OFFAL: MEAT OF BOVINE ANIMALS:
Statistical Unit	KG - KILOGRAMS		1	
References	99	Description	02	
			0210	
		Notes	021020	

> Duties

✖ Prohibited and Restricted Items

Country Code	Country Group	Restriction Code	Restriction Text	Is Prohibited	Type	Start Date	End Date	Detail
ZA	GEN - General	_STATEVET	Stop for State Vet Meat	Restricted	Import	2017/09/04		
UG	GEN - General	MAAIF_IM	Importation of Live Anima...	Restricted	Import	2019/11/01		
NA	SACU - Southern Afric...	_NAMMIC	Veterinary Import Permits	Restricted	Import	2000/01/01		
NG	GEN - General	NAFDAC	Food and Drug Health	Prohibited	Import	2000/01/01	2099/01/01	

Total Items: 4

Information & Research - P&R information

Prohibited And Restricted Summary

Country of Application	UG - UGANDA	Restriction	 Restricted
Description	Importation of Live Animals and Animal Products	Quota Type	No Quota
Effective Date	2019/11/01 -	Quota Statistical Unit	-

P&R Information

Tariff Codes

Controlling Agency	Ministry of Agriculture, Animal Industry and Fisheries - https://www.agriculture.go.ug/		
Countries	GEN - General		
Type	Import	Law	
Restriction	 Restricted		

Pre-import Procedures

- An importer or any person wishing to import live animals/products into the Republic of Uganda shall apply for an Import Permit from the Commissioner Animal Health (CAH) prior to importation.
- The importer shall contact the Commissioner Animal Health and request for information on the protocol and animal health requirements of importation of live animals and/or products into Uganda.
- The importer shall submit a written application requesting to import live animals and /or products into the country to the Commissioner for Animal Health, at least 7 days prior to an importation.
- The application shall state the source (country) and supplier as well as type of animal, breed, sex and quantity.
- The Commissioner for Animal Health will conduct a search on animal disease status of the country of origin and the processes to which the product is subjected during manufacture to determine appropriate animal health requirements to be set in the Import Permit to manage the risk of transmitting disease by this importation.
- If the animal health requirements will mitigate the risk of transmitting disease, the Commissioner for Animal Health shall issue an Import Permit stating the animal health requirements and port of entry to be used for this particular importation (the Commissioner for Animal Health may not issue the Import Permit if this risk is deemed unmanageable).
- The importer shall send the Import Permit to the veterinary authority of the country of origin of the animals/products in order to prepare, inspect, test, certify and supervise loading the animals/goods on the shipment vessel of the respective consignment in compliance with the animal health requirement set by the Commissioner for Animal Health.
- The importer shall then confirm the specified date of arrival of the imported animals/products to the veterinary official at the specified port of entry to prepare all facilities concerned, at least 3 days in advance.

Import Procedures

- The animals/products must be accompanied by an official Veterinary Health Certificate, in English or with English translation, issued by the veterinary authority of the country of origin, attesting that the animals/products satisfactorily meet animal health requirements set in the Import Permit
- In cases that imported animals/products are for breeding purposes, additional certificates, other evidence shall be presented to the veterinary authorities of the port of entry/exit

Costing – Determine Landed Costing Scientifically

- **What Costs** are Involved?
- **Incoterm** Based Costing
- **Duty and Taxes**
- **Freight** Charges
- Other **“hidden” costs** that SME may not be aware of

#	Code	Description	Column 1	Operator	Column 2	Value	Per Unit	Actual
1	QTY	Quantity	Input Value			5500	1	0
2	ORDERCOST	Order Cost	Input Value			306433.05	55.7151	301392
3	ADMINISTRATION FEE	Administration Fee	Value			0	0	0
4	AGF	Agency	Value			1706.1	0.310226	1741.2255
5	OCEANFR	Ocean Freight	Value			11198	2.035996	6131.601225
6	HANDOVER FEE	Handover Fee	Value			0	0	0
7	TERMINAL HANDLING CHARGE	Terminal Handling Charge	Value			0	0	0
8	CDOCF	Documentation Fee	Value			0	0	0
9	CLEARING	CLEARING	Value			0	0	0
10	DUTY	DUTY	Duty Calculator			137894.9	25.071781	135521.719885
11	EDI FEE	EDI Fee	Value			24.75	0.004545	14.623917
12	HANDOVER FEE	Handover Fee	Value			0	0	0
13	DISB	Disbursements	Value			1991.55	0.362146	1995.941916
14	CTO	CTO/DRO Fee Transporter	Value			0	0	0
15	CARGD	Cargo Dues	Value			1868.9	0.339786	1093.183535
16	FINANCE	Fiance Fee	PO Type	%	ORDERCOST	6128.65	1.114302	0
17	SECOND	Secondary Costs	ADMINISTRATION FEE	Sum	FINANCE	160812.85	29.2387	0
18	GLC	Total GLC	SECOND	+	ORDERCOST	467245.9	84.9538	0

Quote - Product Listing - Single Visibility of Duty, Trade Agreements and P&R

Product Tariff • Product: BILT0001 - Biltong Spicy 80gr pack

> Product Summary

General **Tariff** P & R Attributes Dangerous Goods Documents

Supplier Tariff Code

Additional Tariff Description

90% Beef, 10% Spices

Comments

Submit

View History

Subscribe

HS Code 021020

1 SECTION I LIVE ANIMALS; ANIMAL PRODUCTS

02 Meat and edible meat offal

0210 MEAT AND EDIBLE MEAT OFFAL, SALTED, IN BRINE, DRIED OR SMOKED; E MEALS OF MEAT OR MEAT OFFAL:

Description 021020 MEAT OF BOVINE ANIMALS:

Notes

Commodity Codes

Add Tariff Code

Show All

* Country of Origin

ZA - SOUTH AFRICA

Country	Code	Type	Start Date	End Date	Status	Stat. Unit	Trade Agreeme...	Criteria	Duty	P&R	View	History
UG	02101100	1P1	2019/11/21		Active	KG	GEN		25%			
ZA	02102012	1P1	2019/11/21		Active	KG	SADC		FREE			
ZM	02102000	1P1	2019/11/21		Active	KG	SADC		FREE			

Quote – Lead Times to ensure Customer fulfillment and retention

Delivery Instruction

Detail

P & R

Sundry Item

Costing

Documents

Routing

* Route DEMO-NGB-CPT - Ningbo to Cape Town

* Transport Mode 1 - Sea

* Place of Loading CNNGB - Ningbo

* Destination Country ZA - SOUTH AFRICA

* Place of Unloading ZACPT - CAPE TOWN

Deliver to Warehouse Search...

Cartage Contractor Search...

Lead Times

Shipping Priority Search...

Estimated Payment Due Date 2020/01/08

Trading Week Search...

* Delivery Window 2020/01/16 to 2020/01/19

Required Date of Arrival 2020/01/13 3

Ship By Date: Earliest 2019/12/11 7 Latest 2019/12/18 26

Supplier Delivery Date 2019/12/09 2

Transactional Process Commercial and Other Documentation

Commercial Invoice by HS Code and Origin

- **Incoterms and Other Contractual Agreement:**
- **Proforma / Commercial Invoice**
- **Certificates of Origin**
- **Packing Lists**
- **Purchase Order**

Exporter DEMO Company Fusion Quarter Building 4 Horseshoe Lane Waterford Mews, Century Blvd 7435 Registration No: 7595955424 VAT Reg No: 4040185052		Invoice Number EX00736	Invoice Date 01/11/2019
Buyer Demo Customer 3 Waterford Place 9 Boundary Rd Century City Cape Town 8000 Registration No: VAT Reg No: 4040185052		Consignment Number EX00736	
Consignee / Delivery Address Demo Customer 91 Main Road Port District Dar Es Salaam		Buyer's Reference	
Transport Details 1 - SEA			
Port of Loading CAPE TOWN		Currency USD - United States Dollar	Estimated Date of Shipment
Port of Discharge / Destination DAR ES SALAAM		Country of Export ZA - SOUTH AFRICA	Country of Final Destination TZ - TANZANIA
		Terms of Delivery and Payment CIF - COST, INSURANCE AND FREIGHT	
		30 DAYS FROM INVOICE DATE	

Transactional Process Commercial and Other Documentation

Description of Goods	HS Code	Origin	Quantity	@	Amount
1000098001 MENS TROPICAL SHORTS: BLUE	610322	ZA	900.00EA	45.00	40 500.00
0215480 Sunglasses (Black)	900410	ZA	300.00EA1	400.00	# 120 000.00
Detail Line Total			1 200.00		160 500.00
FREIGH Freight			1.00	350.00	350.00
Insurance Insurance charges			1.00	20.00	20.00
Sundry Line Total					370.00
# Indicate items that are VAT exempted			VAT Line Total		6 130.50
UCR Number: 9ZA00081844CINVEX00736M					
Bank: Demo Standard Bank SWIFT Code: SBZAZAJJ Branch: 018005 Account Number: 490909090			Total Quantity	Total VAT Exclusive	Total VAT Inclusive
			1 200.00	160 870.00	USD 167 000.50

Transactional Process Commercial and Other Documentation – Packing List

Port District Dar Es Salaam		G T S					
Transport Details 1 - SEA		Estimated Date of Shipment			Estimated Time of Arrival		
Port of Loading CAPE TOWN	Port of Discharge / Destination DAR ES SALAAM	Country of Export ZA - SOUTH AFRICA			Country of Final Destination TZ - TANZANIA		
Description of Goods	Lot/Batch No.	No. of Packages	Type of Packages	Quantity	Gross Weight (kg)	Nett Weight (kg)	Gross Measurement (C.B.M.)
0215480	Sunglasses (Black) Each	50	CARTONS	300.00 EA1	300.00	300.00	600.000
1000098001	MENS TROPICAL SHORTS: BLUE EACHES	150	CARTONS	900.00 EA	90.00	72.00	9.000
		Total Packages		Total Quantity	Total Gross	Total Nett	Total Cube
UCR Number: 9ZA00081844CINVEX00736M		200		1 200.00	390.00	372.00	609.00
Comments: Don't put in direct sunlight. Pack upright. Handle with care- fragile.							

Questions & Thank You

